

**TOWN OF SOMERS
BOARD OF SELECTMEN
SPECIAL MEETING MINUTES
TOWN HALL AUDITORIUM
November 15th, 2012**

I. CALL TO ORDER:

First Selectman Lisa Pellegrini called the special meeting of the Board of Selectmen to order at 7:06 PM.

II. MEMBERS PRESENT:

Board of Selectmen members Lisa Pellegrini, Bud Knorr and Kathleen Devlin were present. Also present were Board of Finance members James Persano and Stephen Krasinski, CFO Kimberly Marcotte, Financial Adviser Janette Marcoux of FirstSouthwest and Recording Secretary Catherine Morrow.

III. BOND REFUNDING:

The bond refunding resolution prepared by the Town's bond attorney, Mike Botelho of Updike, Kelly & Spellacy PC, was distributed. It was noted by Mr. Persano that this resolution would not need to go to a Town Meeting since the refunding relates to outstanding existing debt and the refunding would generate savings. Ms. Marcotte indicated that according to the bond attorney the legally required authorization for the refunding of existing debt is that of the Board of Selectmen. It was anticipated that the Board of Finance would also approve the refunding at this meeting however a quorum was not present.

Janette Marcoux explained that the bonds in this resolution are the 2004 and 2007 bond issues. The 2002 and 2005 debt is already refunded bonds and thus cannot be part of this refunding. The 2004 and 2007 bonds have interest rates that are not efficient, the average coupon of refunded bonds is 4.078%, and the interest rates in the municipal market have dropped since our last meeting in June thus creating more opportunities for refunding this debt. Ms. Marcoux explained that this would be an advanced refunding since the call date for these bonds are November 1, 2013 and August 1, 2016, respectively. A refunding analysis showing the annual breakdown of savings was distributed. The proceeds of the refunding will be deposited in an escrow account and invested at a restricted yield in SLGs or other qualified securities maturing semi-annually. The escrowed funds are used to meet the debt service payment on the refunded bonds until the call date. The possibility of some negative arbitrage has been taken into consideration in the analysis.

Mr. Persano asked if there was a window in which this refunding must occur. Ms. Marcoux explained that if the refunding is done in Calendar Year 2012 the bonds are bank qualified. If the refunding takes place in calendar year 2013 and the Town were to issue new debt at the amount that is being considered, the total would exceed the bank qualification limit of ten million dollars.

Mr. Krasinski asked if it is possible to complete the refunding in 2012. Ms. Marcotte noted that the purpose of holding this special meeting with both the BOS and BOF was to be able to complete the process in 2012. Some of the preliminary work such as the updating of the Town's Official Statement has already been started. Ms. Marcoux clarified that the bonds need to be marketed by mid-December. Mr. Krasinski said that, in his opinion, the refunding is most favorably done in 2012, as there is the possibility of a bond issue in 2013. Mr. Persano agreed and indicated that he favored the Town proceeding with the refunding.

A schedule of annual budgetary savings that would result from the refunding was discussed. The BOS will defer to the BOF on structuring the schedule. The BOF will discuss the allocation of the savings at the next BOF meeting and provide Ms. Marcoux with guidance.

Ms. Marcoux outlined the process to bring the refunding to market which includes updating the Official Statement, a workshop with the ratings agency followed by a conference call and a meeting to value the bonds.

Mr. Persano reiterated that the BOF could not take action on the Resolution as they did not have a quorum but that the BOS should.

IV. RESOLUTION:

Motion was made by Kathleen Devlin to pass the Resolution, in its entirety (attached), with respect to the authorization, issuance and sale of up to \$8,000,000 aggregate principal amount of Town of Somers general obligation refunding bonds. Seconded by Bud Knorr and unanimously voted as approved.

Opposed: none

*In Favor: Lisa Pellegrini
Kathleen Devlin
Bud Knorr*

VI. ADJOURNMENT:

A motion was made by Kathleen Devlin to adjourn the November 15, 2012 Board of Selectman special meeting at 7:40 PM. Seconded by Bud Knorr and unanimously voted as approved.

Respectfully submitted,

Catherine Morrow

MINUTES ARE NOT OFFICIAL UNTIL APPROVAL AT A SUBSEQUENT MEETING.

TOWN OF SOMERS

BOARD OF SELECTMEN

RESOLUTION WITH RESPECT TO THE
AUTHORIZATION, ISSUANCE AND SALE OF UP TO
\$8,000,000 AGGREGATE PRINCIPAL AMOUNT OF TOWN OF
SOMERS GENERAL OBLIGATION REFUNDING BONDS

WHEREAS, Section 7-370c of the Connecticut General Statutes provides authority for any municipality to issue refunding bonds for the payment, funding or refunding of bonds, notes or other obligations previously issued; and

WHEREAS, Section 7-370c provides that such refunding bonds shall be authorized and issued by resolution of the legislative body of the municipality; and

WHEREAS, the Town of Somers, Connecticut (the "Town"), desires to refund all or any portion of any one or more series of the Town's outstanding general obligation bonds (the "Prior Bonds").

NOW THEREFORE, BE IT RESOLVED,

(1) That the Town issue its general obligation bonds in the aggregate principal amount of up to \$8,000,000 (the "Bonds") to refund certain of the Prior Bonds and to finance such additional amounts as are needed to pay all fees, costs, expenses and redemption premium, if any, in connection with the refunding of the Prior Bonds and the authorization, issuance and sale of the Bonds, including, but not limited to, legal, advisory, printing and administrative expenses, underwriter's discount, and expenses in connection with credit enhancement, if necessary, and the proceeds of the Bonds be appropriated for the foregoing purposes; provided, however, that the refunding of the Prior Bonds provides a net debt service savings to the Town and that the amount of the Bonds issued does not exceed the amount needed to refund the Prior Bonds and to pay the costs authorized herein.

(2) That the First Selectman and the Treasurer of the Town (the "Officials") are hereby authorized to determine the date, rates of interest, principal payment amounts, maturities, dates of principal and interest payments, the form of such Bonds, the provisions for protecting and enforcing the rights and remedies of the holders of such Bonds and such other terms, conditions and particular matters regarding the Bonds and the issuance and securing thereof, all in accordance with the Connecticut General Statutes and the Charter of the Town, and to take such actions and execute such documents including, but not limited to, a contract of purchase, to provide all supporting documentation as may be necessary or desirable to accomplish such purposes and to comply with the requirements of the Internal Revenue Code of 1986, as amended, U.S. Securities and Exchange Commission Rule 15c2-12, and any other applicable provision of law thereto enabling. The Bonds authorized hereby shall be general obligations of the Town secured by the full faith and credit of the Town.

(3) That the Bonds shall be signed by the Officials either by their genuine signatures or by facsimiles of such signatures printed on the Bonds and that the law firm of Updike, Kelly & Spellacy, P.C., Hartford, Connecticut, is designated as bond counsel to render an opinion approving the legality of the issuance of the Bonds.

(4) That the Officials are hereby authorized to designate a bank or trust company to be the certifying bank, registrar, escrow agent, transfer agent and paying agent for such Bonds; to provide for the keeping of a record of the Bonds; to designate a financial advisor to the Town in connection with the sale of the Bonds; and to designate an underwriter in connection with any negotiated sale and purchase of the Bonds.

(5) That the Officials are authorized to sell the Bonds at a public or negotiated sale; to deliver the Bonds and to perform all other acts which are necessary or appropriate to issue the Bonds; to make representations and covenants on behalf of the Town for the benefit of the holders of the Bonds to provide secondary market disclosure information in accordance with U.S. Securities and Exchange Commission Rule 15c2-12, as it may be amended from time to time, including, but not limited to, executing and delivering a continuing disclosure agreement; their respective approvals to be conclusively evidenced by their signature on any such agreements relating thereto.

(6) That the Officials are authorized to refund the Prior Bonds from the proceeds of the Bonds and other moneys as they may determine to make available for this purpose, and to defease the Prior Bonds by executing and delivering an escrow agreement in such form and upon such terms as they shall approve, such approval to be conclusively evidenced by their execution thereof.

(7) That the Officials are hereby authorized on behalf of the Town to make such representations and covenants for the benefit of the holders of the Bonds which are necessary or appropriate to ensure the exemption of interest on the Bonds from taxation under the Internal Revenue Code of 1986, as amended, including, but not limited to, covenants to pay rebates of investment earnings to the United States in future years; their respective approvals to be conclusively evidenced by their signature on any such agreements relating thereto.

(8) That the Officials be authorized to designate other officials or employees of the Town to take such actions and execute such documents, as are determined to be necessary or advisable and in the best interests of the Town in order to refund the Prior Bonds and to issue, sell and deliver the Bonds, and that the execution and delivery of such documents shall be conclusive evidence of such determination.

At a meeting of the Board of Selectmen held on November 15, 2012, upon a Motion duly made by Board Member _____ and seconded by Board Member _____, the foregoing Resolution was adopted by the following roll call vote:

In Favor:

Opposed:

I, Ann Marie Logan, duly elected and qualified Town Clerk of the Town of Somers, hereby certify that the foregoing is a true copy of the Resolution adopted at a meeting of the Board of Selectmen held on November 15, 2012 authorizing the issuance of refunding bonds in an aggregate principal amount not to exceed \$8,000,000; that said Board consists of three members; a quorum consists of two members; _____ members were present at said meeting; a roll call vote was taken and _____ members voted in favor of said Resolution, _____ members voted against the adoption of said Resolution and _____ members abstained from voting on said Resolution; the entire meeting exclusive of executive sessions was open to the public and no one was excluded from the portion of the meeting pertaining to the consideration and adoption of said Resolution.

Dated at Somers, Connecticut, this _____ day of November, 2012.

Ann Marie Logan
Town Clerk
Somers, Connecticut